

HB24-1085 Limitation on Actions against Appraisers (Representatives Amabile & Frizell/Senators Ginal & Gardener)

The Colorado Coalition of Appraisers, a coalition of seven member organizations that represent more than 1,000 real estate appraisers in the State of Colorado, set out to protect the state's appraisal industry. The goal was to have a cap on litigation at 5 years, aligning with USPAP guidelines. After working with the banking groups, such as the credit unions, the Colorado Bankers Association, and the independent banks, language was added to the bill to exempt fraudulent appraisers. This addition was done in good faith and ultimately brought the credit unions, the Colorado Bankers Association, and the independent banks to a neutral position. Two groups opposed HB24-1085: the trial lawyers and the Colorado Mortgage Lenders Association (CMLA).

No real estate entity had any concerns with the bill, except for the CMLA. Unfortunately, the CMLA was fully opposed to the bill regardless of any compromises presented. The CMLA expressed that they did not want to see appraiser protection enacted for several reasons including: their own protectionary perspective, their desire to mitigate losses on defaulted loans, and to desire to ensure that an avenue for a lawsuit against the appraiser. Throughout the 2024 session, the CMLA was not willing to negotiate. Of note, Colorado is the only state out of the other 14 states who have passed similar policy to have opposition from the mortgage lenders.

A quick summary of HB24-1085: The bill passed on a bi-partisan vote of 7-4 out of the House Business Affairs & Labor Committee on February 1st. The bill was then heard in front of the entire 65-member House of Representatives. There was no debate on the bill and it passed the entire House chamber with large, bi-partisan support with a vote of 46-18 (1 member was excused) on February 12th. The bill was formally introduced in the Senate on February 20th and was assigned for its hearing in front of the Senate Judiciary Committee on March 18th. The bill headed into the hearing with no Democrat commitments to support the legislation. After a long hearing, the three Democrats on the committee were convinced the policy was NOT needed simply because there were very few examples of appraisers facing frivolous lawsuits outside of the five-year timeframe. The bill died in committee on a party line vote 3-2.

Status: Failed to pass the Senate Committee on Judiciary vote on March 18th 2024.

2024 Bills Signed Into Law

HB24-1007 Prohibit Residential Occupancy Limits (Representatives Mabrey & Rutinel/Senators Exum & Gonzales)

Summary: The bill prohibits local governments, including home rule or statutory cities, counties, towns, territorial charter cities, and consolidated cities and counties, from limiting the number of people who may live together in a single dwelling, regardless of familial relationship. A local government may limit the number of inhabitants in a dwelling if the regulation is tied to a minimum square footage per person necessary to regulate health, safety, or welfare.

Status: Governor Signed April 15th 2024

HB24-1152 Accessory Dwelling Units (Representatives Amabile & Weinberg/Senators Exum & Mullica)

Summary: A subject jurisdiction must allow one ADU as an accessory use wherever the jurisdiction also allows single-unit detached homes. The bill prohibits subject jurisdictions from imposing new parking requirements or requiring that the ADU be owner occupied. The administrative approval process must use objective standards only, and must not include design or dimension standards that are more restrictive than the standards for single-unit detached dwellings in the same zoning district. The bill creates the ADU Fee Reduction and Encouragement Grant Program in the division to provide grants to ADU supportive jurisdictions for activities that promote ADUs, including offsetting costs related to pre-approved plans, giving technical assistance, or reducing permitting fees and other development costs.

Status: Governor Signed May 13th 2024

HB24-1313 Housing in Transit-Oriented Communities (Representatives Woodrow & Jodeh/Senators Winter & Hansen)

Summary: The bill identifies local governments that must create, report, and implement a housing opportunity goal to increase housing inventory or forfeit allocations of Highway Users Tax Fund (HUTF) revenue from the state. The Department of Local Affairs (DOLA) in collaboration with the Colorado Energy Office (CEO) and the Colorado Department of Transportation (CDOT), must provide broad technical assistance to affected local governments, and administer a grant program to assist with planning, compliance, and infrastructure projects. Transit-oriented communities. The bill affects any municipality with a population of at least 4,000 residents that lies within a metropolitan planning organization (MPO). The bill also affects county governments whose jurisdictions include a specific portion of a transit station area or transit corridor.

Status: Governor Signed May 13th 2024

SB24-111 Senior Primary Residence Prop Tax Reduction (Senators Hansen & Kolker/Representatives Young & Lieder)

Summary: Beginning for property tax year 2025, the bill reduces the assessed value, or taxable value, of owner-occupied senior primary residences for those who have previously qualified for the existing senior homestead exemption but who are currently ineligible. Under the bill, assessed value is reduced by subtracting up to \$100,000 from the actual value of the property before the assessment rate is applied. The subtraction is limited to the lesser of \$100,000 or the amount that reduces a property's assessed value to \$1,000. The bill creates a new subclass of residential property called qualified-senior primary residence real property; establishes a process for owner-occupiers to apply to county assessors for the new subclassification; sets the assessment rate for the new subclassification at 7.15 percent, consistent with the residential assessment rate under current law; requires county assessors to report the properties within each county that qualify for the new subclassification to the Division of Property Taxation by October 10 each year; and requires the state to reimburse local governments for the lost revenue under the measure and establishes these reimbursements as a state TABOR refund mechanism in years in which the state refunds a TABOR surplus.

Status: Governor Signed May 13th 2024

HB24-1179 2023 Property Tax Year Updated Abstract (Representatives deGruy Kennedy & Frizell/Senators Hansen & Baisley)

Summary: The bill requires assessors to prepare an updated abstract for assessment for the 2023 property tax year and file a copy of the abstract and other required information updates that are appended to the abstract with the Division of Property Taxation in the Department of Local Affairs no later than February 20, 2024

Status: Governor Signed February 15th 2024

SB24-233 Property Tax (Senators Hansen & Kirkmeyer/Representatives deGruy Kennedy & Frizell)

Summary: Property tax assessment for residential property. The bill lowers assessment rates and extends value reductions beginning in the 2024 property tax year. Property tax year 2024. For the 2024 property tax year, the bill carries over temporary assessment rates and actual value subtractions from the 2023 property tax year. This includes: for multifamily residential property, a 6.7 percent assessment rate applied to the actual value of the property minus \$55,000 or the amount that reduces assessed value to \$1,000, down from 6.8 percent with no subtraction under current law; for other residential property, a 6.7 percent assessment rate applied to the actual value of the property minus \$55,000 or the amount that reduces assessed value to \$1,000, down from an estimated 7.06 percent rate with no subtraction under current law. Property tax years 2025 and after. Beginning with the 2025 property tax year, the bill creates two assessed values for each residential property: one that is used for mill levies assessed by school districts, and one that is used for all other local government entities. Local government entities. For local government entities other than school districts, the bill reduces the assessment rate for all residential property to 6.7 percent for property tax year 2025 only. For property tax year 2026 and all later years, the residential assessment rate is 6.95 percent applied to the actual value of the property minus 10 percent of the property's actual value, up to \$70,000, or an amount that reduces assessed value to \$1,000. Beginning with the 2027 property tax year, the \$70,000 maximum is increased annually by inflation. School districts. For school district mill levies, the bill sets the assessment rate for all residential property to 7.15 percent, equal to the permanent residential assessment rate under current law. If the local share of total program funding for school finance reaches 60 percent in 2026 or a later property tax year, then for subsequent property tax years, the residential assessment rate for school districts is adjusted annually so that the local share equals 60 percent of total program funding. The bill specifies that this adjustment cannot cause the rate to exceed 7.15 percent. Property tax assessment for improved commercial property. For the 2024 property tax year, the bill carries over the temporary assessment rates and actual value subtractions so that they apply to improved commercial property for the 2023 property tax year. This includes a 27.9 percent assessment rate applied to the actual value of the property minus \$30,000 or the amount that reduces assessed value to \$1,000, down from 29 percent with no subtraction under current law.

Status: Governor Signed May 14th 2024

See also SB24-228: TABOR Refund Mechanisms, which restructures how Colorado residents will get the TABOR refunds. <https://leg.colorado.gov/bills/sb24-228>

SB24-126 Conservation Easement Income Tax Credit (Senators Winter & Will/Representatives Lynch & Lukens)

Summary: The bill makes modifications to the conservation easement tax credit program, as discussed below. Extension of expiring provisions.

Status: Signed by the Speaker of the House May 13th 2024

Bills Postponed Indefinitely or Died on the Calendar

SB24-033 Lodging Property Tax Treatment (Senator Hansen/Representative Weissman)

Summary: The bill classifies property designed for use as a residence, but that is only used for short-term rentals, as lodging property under the definition of hotels and motels. This excludes bed and breakfasts. Beginning in the 2026 property tax year, the bill requires that homes not used as primary residences be assessed as lodging property if they were leased for short-term stays more than 90 days during the year, and will be assessed as residential property if they were leased for short-term stays for 90 days or fewer during the year. The bill requires the owner of a property used at least one time per year for a short term stay to annually sign an affidavit with the county assessor noting the number of days the home was used for short-term stays during the previous year.

Status: Postponed Indefinitely Senate Committee on Finance April 16th 2024.

HB24-1158 Homeowners' Association Foreclosure Sales Requirements (Representative Ricks/Senator)

Summary: Prior to foreclosing a lien, an HOA must notify a unit owner about credit counseling services that are available at the owner's expense. Upon foreclosure, an HOA must disclose appraisal information to a unit owner and publicly file the unit's minimum initial bid amount with the county clerk and recorder's office. Minimum initial bids. The bill establishes a minimum initial bid amount for a foreclosed unit at auction, calculated as not less than the sum of: the association's lien amount; all lien amounts for real estate taxes and other assessments; the first mortgage secured by the unit; and 60 percent of the unit owner's equity in the unit. However, if the fair market value of the unit does not exceed this sum, the initial bid must not be less than the fair market value.

Status: House Third Reading Lost - No Amendments April 16th 2024

HB24- 1175 Local Governments Rights to Property for Affordable Housing (Representatives Sirota & Boesenecker/Senator Winter & Jaquez Lewis)

Summary: The bill gives a local government a right of first offer and a right of first refusal to obtain residential properties for long-term affordable housing.

Status: Died on Calendar

HB24-1230 Protections for Real Property Owners (Representatives Bacon & Parenti/Senators Winter & Cutter)

Summary: The bill modifies consumer protections for residential property owners related to construction defect litigation standards and requirements.

Status: Died on Calendar

HB24-1299 Short-Term Rental Unit Property Tax Classification (Representative Bird/Senator Mullica)

Summary: The bill defines a short-term rental unit as a building that is designed for use predominantly as a place of residency by a person, a family, or families, is leased or available to be leased for short-term stays, and includes the land upon which the building is located. A commercial short-term rental unit is defined as a short-term rental unit that is not the owner's primary or secondary residence. A commercial short-term rental unit is classified as lodging property, which is a subclass of nonresidential property for purposes of valuation for assessment. A short-term rental unit that is the owner's primary or secondary residence will continue to be classified as residential property. On or before November 15, 2024, and on or before November 15 of each year thereafter, an owner of a short-term rental unit shall submit to the assessor of the county in which the property is located an affidavit signed by the owner, under the penalty of perjury in the second degree, identifying whether the property will continue to be used as a short-term rental unit in the following property tax year commencing on January 1, and if so, whether it will be the owner's primary or secondary residence. Absent contrary information, the assessor shall use the information in the affidavit to determine whether the property is a commercial short-term rental unit. If a commercial short-term rental unit is sold, the new owner shall submit an affidavit to the county assessor if the property will no longer be a commercial short-term rental unit for the classification of the property to change for the subsequent property tax year.

Status: Postponed Indefinitely House Committee on Finance April 22nd 2024

HB24-1337 Real Property Owner Unit Association Collections (Representatives Bacon & Jodeh/Senator)

Summary: The bill modifies rules concerning the collection of delinquent payments and other costs by a home owner association (HOA) from a unit owner, and establishes a right of redemption process for foreclosed units. Reimbursement.

Status: House Considered Senate Amendments - Result was to Concur - Repass April 30th

SB24-106 Right to Remedy Construction Defects (Senators Zenzinger & Coleman/Representative Bird)

Bill Summary: The bill modifies requirements to initiate a construction defect action and clarifies the conditions under which a claim is settled and released under the Construction Defect Action Reform Act. Right to remedy. Current law allows construction professionals to settle construction defect claims by either paying an agreed upon sum or remedying the claimed defect. The bill establishes a right to remedy for construction professionals to remediate work on a construction defect claim. Completion of remedial work settles and releases a claim, and all future claims related to the construction defect are limited to the remedial work.

Status: Postponed Indefinitely House Committee on Transportation, Housing & Local Government May 3rd 2024

SB24-112 Construction Defect Action Procedures (Senator Lundeen/Representative)

Bill Summary: Current law requires a homeowner association (HOA) to meet with unit owners and hold a vote before initiating legal action concerning an alleged construction defect. A majority of unit owners, excluding nonresponsive unit owners, must approve the legal action and an HOA may amend or supplement the proposed action without unit owner consent after the vote. The bill updates a simple majority to a two-thirds vote and requires an HOA to notify unit owners of amendments to the proposed legal action before reobtaining their signed approval. A list of nonresponsive unit owners must be provided to the construction professional whom the claim is being filed against, and a new vote may be ordered by the presiding judge after reviewing the extent to which an HOA attempted to contact nonresponsive unit owners. Additionally, the bill adds disclaimers to the Construction Defect Action Reform Act regarding express waivers, and removes a construction professional's liability for construction defect claims caused by a licensed design professional.

Status: Postponed Indefinitely Senate Committee on Local Government & Housing April 30th 2024

SB24-144 Real Property Valuation (Senators Van Winkle & Baisley/Representative)

Summary: The bill resets the property tax base by adjusting actual values for most types of real residential and nonresidential property classes (except mobile homes, oil and gas, producing mines, and state-assessed property) beginning with the 2025 property tax year. For the 2025 reassessment cycle (property tax years 2025 and 2026), the bill limits "actual values" (the valuations to which property tax assessment rates are applied) as if they were not allowed to have grown by more than 6 percent in each of the 2021, 2023, and 2025 reassessment cycles. The bill requires that property valuations grow by no more than 6 percent in each subsequent cycle. It includes an exception for unusual conditions that increase a property's valuation, such as the addition of an on-site improvement or addition to a structure.

Status: Postponed Indefinitely Senate Committee on Finance February 27th 2024